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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
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VALUE-ADDED

COMMUNICATIONS

December 14, 1992

Federal Communications Commission  
Office of the Secretary  
Washington, DC 20554

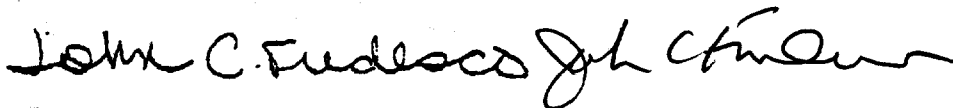
RE: FCC Docket No. 92-77, Phase I  
(Compensation For Transfer Service)

Dear Sir or Madam:

Enclosed please find the original plus nine copies of Value-Added Communications' comments in the above-referenced matter. Two copies have also been filed with the Tariff Division, Common Carrier Bureau, and one copy with the Downtown Copy Center.

Please feel free to contact the undersigned in connection with this filing.

Sincerely,



John C. Fudesco  
Attorney for Value-Added Communications

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FEDERAL COMMUNICATIONS COMMISSION  
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VALUE-ADDED

COMMUNICATIONS

Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of: )  
 ) CC Docket No. 92-77  
Billed Party Preference ) Phase I  
for 0+ InterLATA Calls )

Value-Added Communications Inc. ("VAC") is an interexchange telecommunications carrier ("IXC") headquartered in Illinois. Its primary business is the provision of Automated Operator-Assisted calling services to presubscribed hotels, payphones and other aggregator locations. VAC receives thousands of calls daily over its network from AT&T customers who attempt to charge calls to AT&T card issuer identifier ("CIID") cards. VAC cannot complete these calls due to lack of validation and billing information, which VAC continues to assert is a violation of Title II of the Communications Act and prior Commission rulings. To maintain customer relations, VAC must transfer these calls back to AT&T resulting in significant unrecoverable costs as well as loss of revenue. This situation is exacerbated by the dialing instructions given by AT&T to its cardholders. No amount of re-educating will change the customer dialing habits that have been created by

AT&T through its vast advertising clout. VAC should be able to recover these costs from the card issuer, which is receiving valuable transfer services from the use of VAC's equipment and network, as this proceeding is pending.

### **Transfer Mechanism**

The Commission requested comment on the interconnection arrangements needed to provide transfer service. The VAC equipment is fully automated and has the capability of effecting a transparent transfer of proprietary card calls to the card issuer via any dial access code (i.e. 10XXX, 900 or 800). The end user does not have to radial either the called number or the proprietary card number. In order for the card issuer to identify 0+ transferred calls, some manner of separation between 10XXX and 0+ must be devised. Since local end offices customarily route 0+ and 10XXX 0+ calls over the same trunk group to the destination carrier, IXCs apparently lack the ability to screen incoming traffic to determine how the calls were originated. Potential LEC based routing solutions present significant technical and cost recovery complexities. Alternatively, a simple solution is for the card issuer to establish a separate 800 number exclusively for CHID card transfers. Transferred calls could easily include an account number or ANI to identify the transfer agent. Both the OSP and the card issuer would have a real time record of the transferred calls for compensation payment.

### **Financial Arrangements**

The only equitable method of establishing the price and configuration of transfer service is to provide the service under tariff on a per call basis. Large hotels and other aggregator locations cannot be quantified by the fixed amount mechanism set up for private payphone locations. In this environment, the card issuer should

be required to compensate the OSP at the same per call commission rate that the issuer normally pays to its other major aggregators.

VAC objects to assisting AT&T in the re-education of its customers. On the other hand, VAC can transfer card issuer traffic without the delays and inconvenience associated with redialing instructions. The public interest and competition can be served by the requested action at no expense to the card issuer other than if the issuer, as opposed to the OSP, had presubscribed the location in the first place.

The Commission has the opportunity in this proceeding to remedy an inequitable situation that has been caused by the issuance of proprietary calling cards. In effect, these cards have forced VAC and other OSP's to become an unpaid traffic aggregator for the card issuer. If the Commission is serious in promoting a variety of price and service options in this industry, as opposed to the return of monopolistic practices, it should immediately order the establishment of equitable payment for transfer service.

Respectfully submitted,

VALUE-ADDED COMMUNICATIONS

*John C. Fudesco* *John C. Fudesco*  
By: John C. Fudesco  
Its: Counsel

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